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November 11, 2025

## Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Kurabo Industries Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3106  
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 Scheduled date to file semi-annual securities report: November 14, 2025  
 Scheduled date to commence dividend payments: December 5, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

|                    | Net sales       |       | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |      |
|--------------------|-----------------|-------|------------------|-------|-----------------|-------|---|------|
| Six months ended   | Millions of yen | %     | Millions of yen  | %     | Millions of yen | %     | Millions of yen                         | %    |
| September 30, 2025 | 69,245          | (3.6) | 3,929            | (7.3) | 4,843           | (5.0) | 6,421                                   | 87.5 |
| September 30, 2024 | 71,845          | (1.1) | 4,241            | 9.4   | 5,100           | 12.7  | 3,425                                   | 35.8 |

Note: Comprehensive income For the six months ended September 30, 2025: ¥9,445 million [91.6%]  
 For the six months ended September 30, 2024: ¥4,930 million [(51.8)%]

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended   | Yen                      | Yen                        |
| September 30, 2025 | 384.12                   | —                          |
| September 30, 2024 | 193.12                   | —                          |

#### (2) Consolidated financial position

|                    | Total assets    | Net assets      | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of              | Millions of yen | Millions of yen | %                     |
| September 30, 2025 | 190,193         | 125,701         | 65.4                  |
| March 31, 2025     | 190,529         | 121,182         | 62.9                  |

Reference: Equity  
 As of September 30, 2025: ¥124,396 million  
 As of March 31, 2025: ¥119,805 million

## 2. Cash dividends

|  | Annual dividends per share |                    |                   |                 |        |
|--|----------------------------|--------------------|-------------------|-----------------|--------|
|  | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total  |
|  | Yen                        | Yen                | Yen               | Yen             | Yen    |
| Fiscal year ended March 31, 2025             | —                          | 60.00              | —                 | 120.00          | 180.00 |
| Fiscal year ending March 31, 2026            | —                          | 141.00             |                   |                 |        |
| Fiscal year ending March 31, 2026 (Forecast) |                            |                    | —                 | 141.00          | 282.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

|           | Net sales       |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |      | Basic earnings per share |
|-----------|-----------------|-------|------------------|--------|-----------------|--------|---|------|--------------------------|
|           | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %    | Yen                      |
| Full year | 144,000         | (4.4) | 8,000            | (22.4) | 9,500           | (19.4) | 10,500                                  | 16.5 | 631.44                   |

Note: Revisions to the forecast of financial results most recently announced: Yes

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For the details, please refer to “2. Semi-annual consolidated financial statements and significant notes thereto (4) Notes to semi-annual consolidated financial statements (Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)” on page 11 of the attached materials.

- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

|                          |                   |
|--------------------------|-------------------|
| As of September 30, 2025 | 18,000,000 shares |
| As of March 31, 2025     | 18,000,000 shares |

- (ii) Number of treasury shares at the end of the period

|                          |                  |
|--------------------------|------------------|
| As of September 30, 2025 | 1,473,332 shares |
| As of March 31, 2025     | 1,071,382 shares |

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |
|-------------------------------------|-------------------|
| Six months ended September 30, 2025 | 16,716,148 shares |
| Six months ended September 30, 2024 | 17,736,360 shares |

Note: The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust, and the Company’s shares held by the trust account are included in the number of treasury shares.

- \* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to “1. Overview of operating results and others (3) Explanation of consolidated financial forecasts and other forward-looking statements” on page 4 of the attached materials.

(Regarding the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Thursday, November 20, 2025. The explanatory materials on financial results to be distributed at the briefing will be posted on the Company’s website following the briefing.

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# 1. Overview of operating results and others

## (1) Overview of operating results for the period under review

During the first six months of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025), the Japanese economy remained on a moderate recovery trend due to factors including improvement in consumer spending driven by improvements in the employment and income environment, and capital investment increases.

On the other hand, in addition to ongoing concerns about geopolitical risks, such as the prolonged conflicts in the Middle East and Ukraine, the impact of U.S. tariff policy is beginning to affect the global economy, contributing to continued instability.

In this type of environment, the Group has strived to expand priority businesses targeting the semiconductor production-related market and the life sciences-related market, and to enhance the earning capability of core businesses, primarily through structural reform in the textiles business, based on the basic policy of “enhance corporate value by accelerating the growth of high-profit businesses and efficiently utilizing management resources” in the medium-term management plan “Accelerate '27,” which started in April 2025.

As a result, net sales were ¥69.2 billion (down 3.6% YoY), operating profit was ¥3.92 billion (down 7.3% YoY), ordinary profit was ¥4.84 billion (down 5.0% YoY), and profit attributable to owners of parent was ¥6.42 billion (up 87.5% YoY), partly due to the recording of extraordinary income from the sale of cross-shareholdings.

Results by segment are as follows.

### (Chemical Products)

High-performance plastic products experienced decreased revenue due to decreased orders for semiconductor production lines as a result of sluggish market conditions for semiconductors unrelated to AI use.

Functional films experienced a decrease in revenue as orders for automobile decreased in North America, despite solid orders for solar cells.

Industrial materials experienced increased revenue with steady orders of flexible polyurethane foam for automotive interiors, nonwoven fabrics for automotive filters and heat-insulating materials.

As a result, net sales were ¥29.8 billion (down 8.4% YoY) partly due to the impact of the transfer in the previous fiscal year of all equity stake of a Chinese subsidiary that was engaged in manufacturing and sales of flexible polyurethane foam for automotive interiors, while operating profit was ¥1.56 billion (down 32.4% YoY).

### (Textiles)

Yarns experienced increased revenue due to steady sales of the high-performance product “NaTech,” which leverages raw material reforming technology.

Uniforms experienced increased revenue with orders of products for uniform apparel increasing.

Casual clothing experienced decreased revenue as orders of fabric for domestic SPAs (specialty retailers of private label apparel) decreased.

As a result, net sales were ¥22.1 billion (down 6.4% YoY), and partly due to the recording of non-recurring operating costs related to the closure of the Anjo Plant, operating loss was ¥0.52 billion (operating profit of ¥0.03 billion in the same period of the previous fiscal year).

### (Advanced Technology)

Life science & technology businesses experienced increased revenue with orders for factory automation at a subsidiary increasing, despite weak performance for mixer/deaerator models due to the impact of U.S. tariff policy.

Electronics businesses experienced increased revenue with solid performance for chemical concentration meters for the semiconductor industry, and steady performance for infrastructure management systems for the railway industry and film thickness meters.

Engineering businesses experienced increased revenue due to solid performances in areas such as exhaust gas treatment facilities and strong sales for silicon wafer cleaning equipment and filter cleaning equipment at a subsidiary.

As a result, net sales were ¥10.0 billion (up 13.3% YoY) with operating profit of ¥1.83 billion (up 73.9% YoY).

(Food and Services)

Freeze-dried foods experienced increased revenue partly due to steady sales growth of instant noodle ingredients.

Hotels and their related services experienced increased revenue due to accommodations and restaurants progressing smoothly, fueled by strong demand from domestic travel and inbound tourism, along with demand for banquets showing signs of recovery.

As a result, net sales were ¥5.2 billion (up 7.3% YoY) with operating profit of ¥0.36 billion (up 70.0% YoY).

(Real Estate)

Real estate leasing benefited from increased revenue from new store openings in rental properties. Net sales were ¥1.9 billion (up 5.9% YoY), while operating profit was ¥1.24 billion (up 5.0% YoY).

## **(2) Overview of financial position for the period under review**

(i) Assets, liabilities and net assets

Total assets at the end of the period under review decreased by ¥0.3 billion from the end of the previous fiscal year to ¥190.1 billion mainly due to a decrease in notes and accounts receivable - trade, and contract assets, although there was an increase in investment securities.

Liabilities decreased by ¥4.8 billion from the end of the previous fiscal year to ¥64.4 billion mainly due to decreases in short-term borrowings, and facility costs payable included in “other” under current liabilities, although there was an increase in deferred tax liabilities included in “other” under non-current liabilities.

Net assets increased by ¥4.5 billion from the end of the previous fiscal year to ¥125.7 billion mainly due to increases in retained earnings and valuation difference on available-for-sale securities, despite a decrease due to purchase of treasury shares.

As a result of the above, the equity-to-asset ratio was 65.4%, up 2.5 percentage points.

(ii) Cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the period under review decreased by ¥0.18 billion from the end of the previous fiscal year to ¥14.97 billion (¥14.21 billion at the end of the same period of the previous fiscal year). The respective cash flow positions and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities in the period under review was ¥9.02 billion (compared to ¥4.6 billion in net cash provided by operating activities in the same period of the previous fiscal year). This was due to factors that increased cash, such as profit before income taxes of ¥9.14 billion, an increase in cash of ¥3.78 billion from a decrease in trade receivables and contract assets, and internal reserves for depreciation of ¥2.41 billion, despite factors that decreased cash, such as gain on sale of short-term and long-term investment securities of ¥4.33 billion and income taxes paid of ¥1.53 billion.

Cash flows from investing activities

Net cash used in investing activities in the period under review was ¥0.35 billion (compared to ¥1.7 billion in net cash used in investing activities in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment and intangible assets of ¥3.98 billion, despite proceeds from sale of investment securities of ¥4.37 billion.

Cash flows from financing activities

Net cash used in financing activities in the period under review was ¥8.73 billion (compared to ¥4.9 billion in net cash used in financing activities in the same period of the previous fiscal year). This was mainly due to a net decrease in short-term borrowings of ¥3.66 billion, purchase of treasury shares of ¥2.9 billion, and dividends paid of ¥2.04 billion.

### (3) Explanation of consolidated financial forecasts and other forward-looking statements

Based on recent trends in financial results, etc., we have changed our full-year consolidated financial forecasts for the fiscal year ending March 31, 2026, announced on May 14, 2025.

#### (i) Revisions to consolidated financial results forecasts

Revisions to consolidated financial results forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

|   | Net sales       | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|---|-----------------|------------------|-----------------|---|--------------------------|
|   | Millions of yen | Millions of yen  | Millions of yen | Millions of yen                         | Yen                      |
| Previously announced forecast (A)   | 144,000         | 8,000            | 9,500           | 9,500                                   | 566.96                   |
| Revised forecasts (B)   | 144,000         | 8,000            | 9,500           | 10,500                                  | 631.44                   |
| Change in amount (B-A)  | 0               | 0                | 0               | 1,000                                   | —                        |
| Change (%)  | 0.0             | 0.0              | 0.0             | 10.5                                    | —                        |
| (Reference) Previous fiscal year results (fiscal year ended March 31, 2025) | 150,660         | 10,311           | 11,784          | 9,014                                   | 516.19                   |

(Note) Regarding the forecasts of results by segment, please refer to “3. Others (Reference information) (4) Forecast of full-year financial results for the fiscal year ending March 31, 2026 (consolidated)” on page 18.

#### (ii) Reasons for revisions to full-year consolidated financial results forecasts

Regarding the full-year consolidated financial forecasts for the fiscal year ending March 31, 2026, Chemical Products segment will experience a decrease in revenue and profit compared to the previous forecast due to factors such as the expectation that the recovery of market conditions for semiconductors unrelated to AI use will be later than anticipated. However, overall net sales, operating profit, and ordinary profit are expected to match the previous forecast due to factors such as Advanced Technology segment’s chemical concentration meters, film thickness meters, and factory automation have been performing well, leading to an increase in revenue and profit. Profit attributable to owners of parent is expected to exceed the previous forecast due to factors such as an increase in gain on sale of investment securities.

## 2. Semi-annual consolidated financial statements and significant notes thereto

### (1) Semi-annual consolidated balance sheet

(Millions of yen)

|  | As of March 31, 2025 | As of September 30, 2025 |
|--|----------------------|--------------------------|
| <b>Assets</b>  |                      |                          |
| Current assets   |                      |                          |
| Cash and deposits  | 15,192               | 15,003                   |
| Notes and accounts receivable - trade, and contract assets           | 29,699               | 25,932                   |
| Electronically recorded monetary claims - operating                  | 7,480                | 7,353                    |
| Merchandise and finished goods                                       | 12,970               | 12,733                   |
| Work in process  | 7,711                | 7,011                    |
| Raw materials and supplies   | 8,295                | 8,375                    |
| Other  | 3,613                | 3,513                    |
| Allowance for doubtful accounts                                      | (127)                | (127)                    |
| Total current assets   | 84,835               | 79,795                   |
| Non-current assets   |                      |                          |
| Property, plant and equipment  |                      |                          |
| Buildings and structures, net  | 21,828               | 21,294                   |
| Other, net   | 22,439               | 22,177                   |
| Total property, plant and equipment                                  | 44,268               | 43,471                   |
| Intangible assets  | 1,533                | 1,493                    |
| Investments and other assets   |                      |                          |
| Investment securities  | 55,994               | 61,672                   |
| Other  | 4,106                | 3,977                    |
| Allowance for doubtful accounts                                      | (209)                | (216)                    |
| Total investments and other assets                                   | 59,891               | 65,432                   |
| Total non-current assets   | 105,693              | 110,397                  |
| Total assets   | 190,529              | 190,193                  |
| <b>Liabilities</b>   |                      |                          |
| Current liabilities  |                      |                          |
| Notes and accounts payable - trade                                   | 15,956               | 14,896                   |
| Electronically recorded obligations - operating                      | 3,380                | 3,400                    |
| Short-term borrowings  | 8,003                | 4,042                    |
| Income taxes payable   | 1,630                | 2,871                    |
| Provision for bonuses  | 1,506                | 1,521                    |
| Other  | 9,025                | 7,008                    |
| Total current liabilities  | 39,502               | 33,740                   |
| Non-current liabilities  |                      |                          |
| Long-term borrowings   | 2,353                | 2,255                    |
| Provision for retirement benefits for directors (and other officers) | 175                  | 128                      |
| Provision for share-based payments                                   | 222                  | 234                      |
| Retirement benefit liability   | 12,120               | 11,766                   |
| Other  | 14,971               | 16,366                   |
| Total non-current liabilities  | 29,843               | 30,751                   |
| Total liabilities  | 69,346               | 64,491                   |



(Millions of yen)

|   | As of March 31, 2025 | As of September 30, 2025 |
|---|----------------------|--------------------------|
| Net assets  |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 22,040               | 22,040                   |
| Capital surplus                                       | 15,240               | 15,240                   |
| Retained earnings                                     | 67,471               | 71,843                   |
| Treasury shares                                       | (4,240)              | (7,099)                  |
| Total shareholders' equity                            | 100,511              | 102,024                  |
| Accumulated other comprehensive income                |                      |                          |
| Valuation difference on available-for-sale securities | 26,560               | 29,813                   |
| Deferred gains or losses on hedges                    | (17)                 | 19                       |
| Foreign currency translation adjustment               | (7,110)              | (7,343)                  |
| Remeasurements of defined benefit plans               | (139)                | (116)                    |
| Total accumulated other comprehensive income          | 19,293               | 22,372                   |
| Non-controlling interests                             | 1,376                | 1,304                    |
| Total net assets                                      | 121,182              | 125,701                  |
| Total liabilities and net assets                      | 190,529              | 190,193                  |

**(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income**

**Semi-annual consolidated statement of income**

(Millions of yen)

|   | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|---|--|--|
| Net sales   | 71,845                                 | 69,245                                 |
| Cost of sales   | 57,189                                 | 54,690                                 |
| Gross profit  | 14,656                                 | 14,555                                 |
| Selling, general and administrative expenses                  | 10,415                                 | 10,625                                 |
| Operating profit  | 4,241                                  | 3,929                                  |
| Non-operating income  |  |  |
| Interest income   | 61                                     | 90                                     |
| Dividend income   | 803                                    | 988                                    |
| Share of profit of entities accounted for using equity method | 30                                     | —                                      |
| Other   | 278                                    | 102                                    |
| Total non-operating income                                    | 1,173                                  | 1,181                                  |
| Non-operating expenses  |  |  |
| Interest expenses   | 169                                    | 104                                    |
| Share of loss of entities accounted for using equity method   | —                                      | 5                                      |
| Other   | 143                                    | 156                                    |
| Total non-operating expenses                                  | 313                                    | 267                                    |
| Ordinary profit   | 5,100                                  | 4,843                                  |
| Extraordinary income  |  |  |
| Gain on sale of investment securities                         | —                                      | 4,337                                  |
| Total extraordinary income                                    | —                                      | 4,337                                  |
| Extraordinary losses  |  |  |
| Loss on disposal of non-current assets                        | —                                      | 32                                     |
| Total extraordinary losses                                    | —                                      | 32                                     |
| Profit before income taxes                                    | 5,100                                  | 9,148                                  |
| Income taxes  | 1,638                                  | 2,722                                  |
| Profit  | 3,461                                  | 6,426                                  |
| Profit attributable to non-controlling interests              | 36                                     | 5                                      |
| Profit attributable to owners of parent                       | 3,425                                  | 6,421                                  |

# Semi-annual consolidated statement of comprehensive income

(Millions of yen)

|  | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|--|--|--|
| Profit   | 3,461                                  | 6,426                                  |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | 1,310                                  | 3,249                                  |
| Deferred gains or losses on hedges   | (139)                                  | 36                                     |
| Foreign currency translation adjustment  | 278                                    | (271)                                  |
| Remeasurements of defined benefit plans, net of tax                                  | (5)                                    | 22                                     |
| Share of other comprehensive income of entities<br>accounted for using equity method | 26                                     | (18)                                   |
| Total other comprehensive income   | 1,469                                  | 3,018                                  |
| Comprehensive income   | 4,930                                  | 9,445                                  |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of parent                                | 4,825                                  | 9,499                                  |
| Comprehensive income attributable to non-controlling<br>interests                    | 105                                    | (54)                                   |

**(3) Semi-annual consolidated statement of cash flows**

(Millions of yen)

|  | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|--|--|--|
| <b>Cash flows from operating activities</b>                                |  |  |
| Profit before income taxes   | 5,100                                  | 9,148                                  |
| Depreciation   | 2,561                                  | 2,416                                  |
| Increase (decrease) in retirement benefit liability                        | (151)                                  | (299)                                  |
| Increase (decrease) in provision for share-based payments                  | 13                                     | 11                                     |
| Increase (decrease) in allowance for doubtful accounts                     | (6)                                    | (2)                                    |
| Interest and dividend income   | (864)                                  | (1,078)                                |
| Interest expenses  | 169                                    | 104                                    |
| Foreign exchange losses (gains)  | (2)                                    | 0                                      |
| Share of loss (profit) of entities accounted for using equity method       | (30)                                   | 5                                      |
| Loss (gain) on sale of property, plant and equipment and intangible assets | (1)                                    | (23)                                   |
| Loss on retirement of property, plant and equipment and intangible assets  | 1                                      | 16                                     |
| Loss (gain) on sale of short-term and long-term investment securities      | –                                      | (4,337)                                |
| Decrease (increase) in accounts receivable - trade, and contract assets    | 3,941                                  | 3,786                                  |
| Decrease (increase) in inventories   | (1,522)                                | 682                                    |
| Increase (decrease) in trade payables                                      | (1,948)                                | (920)                                  |
| Other, net   | (868)                                  | 88                                     |
| Subtotal   | 6,391                                  | 9,600                                  |
| Interest and dividends received  | 869                                    | 1,062                                  |
| Interest paid  | (209)                                  | (106)                                  |
| Subsidies received   | 13                                     | 8                                      |
| Income taxes paid  | (2,463)                                | (1,536)                                |
| Net cash provided by (used in) operating activities                        | 4,600                                  | 9,028                                  |
| <b>Cash flows from investing activities</b>                                |  |  |
| Decrease (increase) in time deposits                                       | 6                                      | 6                                      |
| Purchase of property, plant and equipment and intangible assets            | (1,729)                                | (3,982)                                |
| Proceeds from sale of property, plant and equipment and intangible assets  | 16                                     | 22                                     |
| Purchase of investment securities  | (2)                                    | (1,003)                                |
| Proceeds from sale of investment securities                                | –                                      | 4,376                                  |
| Loan advances  | (1)                                    | –                                      |
| Proceeds from collection of loans receivable                               | 68                                     | 239                                    |
| Other, net   | (59)                                   | (12)                                   |
| Net cash provided by (used in) investing activities                        | (1,701)                                | (352)                                  |

(Millions of yen)

|   | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|---|--|--|
| Cash flows from financing activities                        |  |  |
| Net increase (decrease) in short-term borrowings            | (2,297)                                | (3,660)                                |
| Proceeds from long-term borrowings                          | 464                                    | —                                      |
| Repayments of long-term borrowings                          | (395)                                  | (183)                                  |
| Purchase of treasury shares                                 | (1,687)                                | (2,901)                                |
| Proceeds from sale of treasury shares                       | 0                                      | —                                      |
| Repayments of lease liabilities                             | (72)                                   | (65)                                   |
| Dividends paid  | (1,083)                                | (2,042)                                |
| Other, net  | 167                                    | 117                                    |
| Net cash provided by (used in) financing activities         | (4,904)                                | (8,735)                                |
| Effect of exchange rate change on cash and cash equivalents | 99                                     | (122)                                  |
| Net increase (decrease) in cash and cash equivalents        | (1,905)                                | (181)                                  |
| Cash and cash equivalents at beginning of period            | 16,123                                 | 15,158                                 |
| Cash and cash equivalents at end of period                  | 14,218                                 | 14,977                                 |

#### **(4) Notes to semi-annual consolidated financial statements**

##### **(Notes on premise of going concern)**

Not applicable.

##### **(Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)**

##### **(Calculation of cost of tax)**

The effective tax rate after applying the accounting effect of taxes on profit before taxes for the fiscal year including the period under review is reasonably estimated, and profit before taxes is multiplied by the estimated effective tax rate to calculate cost of tax. However, if the calculation of the cost of tax using the estimated effective tax rate results in significantly unreasonable results, the effective statutory tax rate is used.

##### **(Notes on semi-annual consolidated balance sheet)**

##### **Contingent liabilities**

On June 30, 2022, a fire broke out at the logistics facility Ami No. 2 Logistics Center of SBS Flec Co., Ltd. (location: 6-1 Hoshinosato, Ami-machi, Inashiki-gun, Ibaraki) at which the Company's Chemical Products Division had conducted heat-insulating work. The fire was extinguished on July 5, 2022. Regarding this fire accident (hereinafter the "Fire Accident"), on September 6, 2023, SBS Flec Co., Ltd. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥4.4 billion in damages concerning entrusted cargo, etc. that perished, and on October 24, 2024, there was an application for amending the damages claim to around ¥4.0 billion.

In addition, on March 31, 2025, Sompo Japan Insurance Inc. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥3.6 billion in damages based on insurance subrogation for damages concerning buildings and other assets that were destroyed or damaged by the Fire Accident (hereinafter the "Lawsuit").

The Company had previously announced that in relation to the fact that SBS Flec Co., Ltd., the owner of the logistics facility involved, had received an insurance payment of approximately ¥5.2 billion from an insurance company for damages related to buildings and other assets destroyed or damaged by the Fire Accident, there was a possibility of the Company being pursued for recovery by that insurance company. The Lawsuit was filed on the grounds that Sompo Japan Insurance Inc. acquired part of SBS Flec Co., Ltd.'s right to claim damages related to the Fire Accident through subrogation, after SBS Flec Co., Ltd. received an insurance payment based on a jointly underwritten insurance policy with Sompo Japan Insurance Inc. and others for the buildings and assets affected by the Fire Accident.

The Company has evaluated the details of these claims in these lawsuits seeking compensation for damages and is responding as appropriate through our attorneys.

Based on the jointly underwritten insurance policy entered into by SBS Flec Co., Ltd., and other insurance companies, there is a possibility that the Company will also be pursued for recovery by other insurance companies.

Furthermore, related to the Fire Accident, for around ¥1.1 billion initially estimated for the demolition costs for the Ami No. 2 Logistics Center, we received a notification from the relevant companies that around ¥0.68 billion in costs had been incurred at the end of April 2023. Depending on the future proceedings of the lawsuits for compensation for damages and the results of discussion, the Company could incur damages.

##### **(Additional information)**

We believe that the incurrence of damages to the Company related to the lawsuits for compensation for damages as well as the impact on earnings will become clear as a result of the future proceedings of the lawsuits for compensation for damages and the results of discussion, and the details and amounts of any damages to the Company from the Fire Accident have not been determined at this point in time. The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

**(Notes on significant changes in the amount of shareholders' equity)**

**(Purchase of treasury shares)**

Based on the resolution of the board of directors meeting held on November 7, 2024, the Company acquired 367 thousand shares of treasury shares. As a result, treasury shares were ¥7,099 million as of September 30, 2025, following an increase in treasury shares of ¥2,547 million during the six months ended September 30, 2025.

**(Notes on segment information, etc.)**

[Segment information]

I Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

|                                       | Reportable segments  |          |                        |                      |             |        | Adjustments<br>(Note 1) | Amount<br>recorded in<br>the semi-<br>annual<br>consolidated<br>statement of<br>income<br>(Note 2) |
|---------------------------------------|----------------------|----------|------------------------|----------------------|-------------|--------|-------------------------|--|
|                                       | Chemical<br>Products | Textiles | Advanced<br>Technology | Food and<br>Services | Real Estate | Total  |                         |  |
| Sales                                 |                      |          |                        |                      |             |        |                         |  |
| Sales to<br>outside<br>customers      | 32,592               | 23,650   | 8,866                  | 4,873                | 1,862       | 71,845 | –                       | 71,845   |
| Intersegment<br>sales or<br>transfers | 21                   | 27       | 93                     | 21                   | 218         | 383    | (383)                   | –  |
| Total                                 | 32,613               | 23,677   | 8,960                  | 4,895                | 2,080       | 72,228 | (383)                   | 71,845   |
| Segment profit                        | 2,312                | 35       | 1,052                  | 217                  | 1,186       | 4,804  | (563)                   | 4,241  |

- (Notes) 1. The segment profit adjustment of negative ¥563 million includes company-wide expenses of negative ¥569 million and other adjustments of ¥6 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit is adjusted with operating profit in the semi-annual consolidated statement of income.

II Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

|                                       | Reportable segments  |          |                        |                      |             |        | Adjustments<br>(Note 1) | Amount<br>recorded in<br>the semi-<br>annual<br>consolidated<br>statement of<br>income<br>(Note 2) |
|---------------------------------------|----------------------|----------|------------------------|----------------------|-------------|--------|-------------------------|--|
|                                       | Chemical<br>Products | Textiles | Advanced<br>Technology | Food and<br>Services | Real Estate | Total  |                         |  |
| Sales                                 |                      |          |                        |                      |             |        |                         |  |
| Sales to<br>outside<br>customers      | 29,869               | 22,131   | 10,044                 | 5,230                | 1,971       | 69,245 | –                       | 69,245   |
| Intersegment<br>sales or<br>transfers | 67                   | 26       | 952                    | 23                   | 217         | 1,287  | (1,287)                 | –  |
| Total                                 | 29,936               | 22,157   | 10,996                 | 5,253                | 2,189       | 70,533 | (1,287)                 | 69,245   |
| Segment profit<br>(loss)              | 1,564                | (524)    | 1,830                  | 369                  | 1,245       | 4,484  | (555)                   | 3,929  |

- (Notes) 1. The segment profit or loss adjustment of negative ¥555 million includes company-wide expenses of negative ¥540 million and other adjustments of negative ¥14 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit or loss is adjusted with operating profit in the semi-annual consolidated statement of income.



**(Notes on revenue recognition)**

Information on disaggregation of revenue from contracts with customers

As a result of organizational changes implemented on April 1, 2025, from the first six months of the fiscal year ending March 31, 2026, the types of goods and services that belong to the Chemical Products segment have changed from “flexible polyurethane foam,” “functional resin products (functional films and high-performance plastic products),” “housing construction products (synthetic wood, inorganic building materials, and rigid polyurethane foam),” and “others (nonwoven fabrics and functional materials)” to “high-performance plastic products,” “functional films,” and “industrial materials (flexible polyurethane foam, synthetic wood, inorganic building materials, rigid polyurethane foam, nonwoven fabrics, and functional materials).” The types of goods and services that belong to the Textiles segment have changed from “yarns,” “fabrics,” and “textile products” to “yarns,” “uniforms,” and “casual clothing.” The types of goods and services that belong to the Advanced Technology segment have changed from “electronics,” “engineering,” and “others (bio-related products)” to “life science & technology businesses (bio-related products, robot vision, and automation equipment),” “electronics businesses,” and “engineering businesses.” Note that the breakdown by type of goods or services for the six months ended September 30, 2024 has been presented based on the new segment classification.

[Breakdown by type of goods or services]

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

|                                       | Reportable segments |          |                     |                   |             | Total   |
|---------------------------------------|---------------------|----------|---------------------|-------------------|-------------|---------|
|                                       | Chemical Products   | Textiles | Advanced Technology | Food and Services | Real Estate |         |
| High-performance plastic products     | 8,975               | —        | —                   | —                 | —           | 8,975   |
| Functional films                      | 5,161               | —        | —                   | —                 | —           | 5,161   |
| Industrial materials                  | 21,142              | —        | —                   | —                 | —           | 21,142  |
| Yarns                                 | —                   | 8,212    | —                   | —                 | —           | 8,212   |
| Uniforms                              | —                   | 5,388    | —                   | —                 | —           | 5,388   |
| Casual clothing                       | —                   | 12,316   | —                   | —                 | —           | 12,316  |
| Life science & technology businesses  | —                   | —        | 2,091               | —                 | —           | 2,091   |
| Electronics businesses                | —                   | —        | 3,468               | —                 | —           | 3,468   |
| Engineering businesses                | —                   | —        | 4,006               | —                 | —           | 4,006   |
| Freeze-dried foods                    | —                   | —        | —                   | 3,415             | —           | 3,415   |
| Services                              | —                   | —        | —                   | 1,479             | —           | 1,479   |
| Intersegment sales                    | (2,688)             | (2,267)  | (700)               | (21)              | —           | (5,677) |
| Revenue from contracts with customers | 32,592              | 23,650   | 8,866               | 4,873             | —           | 69,982  |
| Other revenue                         | —                   | —        | —                   | —                 | 1,862       | 1,862   |
| Sales to outside customers            | 32,592              | 23,650   | 8,866               | 4,873             | 1,862       | 71,845  |

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

|                                       | Reportable segments |          |                     |                   |             | Total   |
|---------------------------------------|---------------------|----------|---------------------|-------------------|-------------|---------|
|                                       | Chemical Products   | Textiles | Advanced Technology | Food and Services | Real Estate |         |
| High-performance plastic products     | 6,998               | —        | —                   | —                 | —           | 6,998   |
| Functional films                      | 4,770               | —        | —                   | —                 | —           | 4,770   |
| Industrial materials                  | 21,247              | —        | —                   | —                 | —           | 21,247  |
| Yarns                                 | —                   | 9,085    | —                   | —                 | —           | 9,085   |
| Uniforms                              | —                   | 5,454    | —                   | —                 | —           | 5,454   |
| Casual clothing                       | —                   | 10,347   | —                   | —                 | —           | 10,347  |
| Life science & technology businesses  | —                   | —        | 2,425               | —                 | —           | 2,425   |
| Electronics businesses                | —                   | —        | 3,764               | —                 | —           | 3,764   |
| Engineering businesses                | —                   | —        | 5,067               | —                 | —           | 5,067   |
| Freeze-dried foods                    | —                   | —        | —                   | 3,604             | —           | 3,604   |
| Services                              | —                   | —        | —                   | 1,648             | —           | 1,648   |
| Intersegment sales                    | (3,148)             | (2,756)  | (1,212)             | (23)              | —           | (7,140) |
| Revenue from contracts with customers | 29,869              | 22,131   | 10,044              | 5,230             | —           | 67,274  |
| Other revenue                         | —                   | —        | —                   | —                 | 1,971       | 1,971   |
| Sales to outside customers            | 29,869              | 22,131   | 10,044              | 5,230             | 1,971       | 69,245  |

**(Notes on significant subsequent events)**

**(Share repurchase and cancellation of treasury shares)**

The Company resolved, at its Board of Directors' meeting held on November 11, 2025, the matters concerning the repurchase of own shares under the provisions of Article 156 of the Companies Act, as applied the following the deemed replacement of terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and to cancel its treasury shares under the provisions of Article 178 of the same Act. The details are described below.

1. Reason for repurchase of own shares and cancellation of treasury shares

The Company's policy is to repurchase its own shares and cancel its treasury shares, aiming to enhance shareholder returns and improve capital efficiency, as part of its financial and capital policies under the medium-term management plan.

2. Details of matters related to repurchase

|  |  |
|--|--|
| (1) Type of shares to be repurchased         | Shares of common stock of the Company  |
| (2) Total number of shares to be repurchased | Up to 1,000,000 shares<br>(5.98% of the total number of issued shares, excluding treasury shares)  |
| (3) Total amount of repurchase costs         | Up to 7.0 billion yen  |
| (4) Repurchase period                        | From November 12, 2025 to September 30, 2026   |
| (5) Method of repurchase                     | Market purchases on the Tokyo Stock Exchange, including those through brokerage on the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) |

3. Details of matters relating to cancellation

|  |  |
|--|--|
| (1) Type of shares to be cancelled                   | Shares of common stock of the Company  |
| (2) Total number of shares to be cancelled           | 1,000,000 shares<br>(5.56% of the total number of issued shares before cancellation) |
| (3) Total number of issued shares after cancellation | 17,000,000 shares  |
| (4) Scheduled date of cancellation:                  | November 25, 2025  |

### 3. Others

#### (Reference information)

##### (1) Changes in the number of employees (consolidated)

(Persons)

|                      |       |
|----------------------|-------|
| As of Sept. 30, 2023 | 4,184 |
| As of Sept. 30, 2024 | 3,949 |
| As of Sept. 30, 2025 | 3,833 |
| As of Mar. 31, 2024  | 3,899 |
| As of Mar. 31, 2025  | 3,881 |

Note: In addition to the above, there are also temporary employees and part-timers (869 as of Sept. 30, 2025).

##### (2) Changes in the balance of interest-bearing debt (consolidated)

(Millions of yen)

|                      |        |
|----------------------|--------|
| As of Sept. 30, 2023 | 12,667 |
| As of Sept. 30, 2024 | 9,892  |
| As of Sept. 30, 2025 | 6,297  |
| As of Mar. 31, 2024  | 11,645 |
| As of Mar. 31, 2025  | 10,356 |

Note: Total amount of long-term and short-term borrowings.

##### (3) Trends in amount of capital investment and depreciation (consolidated)

(Millions of yen)

|  | Amount of capital investment | Depreciation |
|--|------------------------------|--------------|
| Six months ended Sept. 30, 2023                | 2,045                        | 2,447        |
| Six months ended Sept. 30, 2024                | 1,814                        | 2,561        |
| Six months ended Sept. 30, 2025                | 1,894                        | 2,416        |
| Fiscal year ended Mar. 31, 2024                | 4,959                        | 5,086        |
| Fiscal year ended Mar. 31, 2025                | 7,156                        | 5,157        |
| Fiscal year ending Mar. 31, 2026<br>(Forecast) | 7,300                        | 5,000        |

(4) Forecast of full-year financial results for the fiscal year ending March 31, 2026 (consolidated)  
(Millions of yen)

|   |                            | Fiscal year ended<br>Mar. 31, 2025 | Fiscal year ending<br>Mar. 31, 2026<br>(Previous forecast) | Fiscal year ending<br>Mar. 31, 2026<br>(Revised forecast) |
|---|----------------------------|------------------------------------|--|---|
| Net sales                               | Chemical Products          | 66,002                             | 64,000   | 62,500  |
|   | Textiles                   | 48,532                             | 43,500   | 43,500  |
|   | Advanced Technology        | 21,943                             | 22,200   | 23,200  |
|   | Food and Services          | 10,458                             | 10,500   | 11,000  |
|   | Real Estate                | 3,723                              | 3,800  | 3,800   |
|   | Total                      | 150,660                            | 144,000  | 144,000   |
| Operating profit                        | Chemical Products          | 5,030                              | 3,900  | 3,500   |
|   | Textiles                   | 75                                 | (700)  | (700)   |
|   | Advanced Technology        | 3,341                              | 3,000  | 3,400   |
|   | Food and Services          | 724                                | 700  | 700   |
|   | Real Estate                | 2,243                              | 2,200  | 2,200   |
|   | Eliminations and corporate | (1,104)                            | (1,100)  | (1,100)   |
|   | Total                      | 10,311                             | 8,000  | 8,000   |
| Ordinary profit                         |                            | 11,784                             | 9,500  | 9,500   |
| Profit attributable to owners of parent |                            | 9,014                              | 9,500  | 10,500  |